

Bruce T. Beesley

Honorable Bruce T. Beesley
United States Bankruptcy Judge



Entered on Docket
September 20, 2019

ROBERT E. OPERA – California State Bar No. 101182
ropera@wcghlaw.com
PETER W. LIANIDES - California State Bar No. 160517
pliandies@wcghlaw.com
ALASTAIR M. GESMUNDO – California State Bar No. 316573
agesmundo@wcghlaw.com
WINTHROP COUCHOT
GOLUBOW HOLLANDER, LLP
1301 Dove Street, Suite 500
Newport Beach, CA 92660
Telephone: (949) 720-4100
Facsimile: (949) 720-4111

STEPHEN R. HARRIS – Nevada State Bar No. 001463
steve@harrislawreno.com
HARRIS LAW PRACTICE LLC
6151 Lakeside Drive, Suite 2100
Reno, NV 89511
Telephone: (775) 786-7600

General Insolvency Counsel
for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

- ☐ X-TREME BULLETS, INC.,
- ☐ AMMO LOAD WORLDWIDE, INC.,
- ☐ CLEARWATER BULLET, INC.,
- ☐ FREEDOM MUNITIONS, LLC,
- ☐ HOWELL MACHINE, INC.,
- ☐ HOWELL MUNITIONS &
TECHNOLOGY, INC.,
- ☐ LEWIS-CLARK AMMUNITION
COMPONENTS, LLC,
- ☐ COMPONENTS EXCHANGE, LLC,
- ☒ All Debtors.

Jointly Administered under

Case No. 18-50609-btb with
Case Nos. 18-50610-btb; 18-50611-btb;
18-50613-btb; 18-50614-btb; 18-50615-btb;
18-50616-btb; and 18-50617-btb

Chapter 11 Proceedings

**ORDER: (1) APPROVING SALE AND
BIDDING PROCEDURES IN
CONNECTION WITH THE SALE OF
SUBSTANTIALLY ALL OF THE ASSETS
OF THE DEBTORS FREE AND CLEAR OF**

Debtors and
Debtors-in-Possession.

**LIENS AND INTERESTS; AND
(2) APPROVING MANNER OF NOTICE TO
BE PROVIDED TO CREDITORS AND
PARTIES-IN-INTEREST IN CONNECTION
WITH SALE MOTION**

[11 U.S.C. §§ 363 and 365]

Date: September 12, 2019

Time: 2:00 p.m.

Place: Courtroom 2 (5th Floor)
C. Clifton Young Federal Bldg.
300 Booth Street
Reno, NV 89509

On September 12, 2019, at about 2:00 p.m., a hearing was held on the Motion for Order:

(1) Approving Sale and Bidding Procedures in Connection with the Sale of Substantially All of the Assets of the Debtors Free and Clear of Liens and Interests; and (2) Approving Manner of Notice to Be Provided to Creditors and Parties-in-Interest in Connection with Sale Motion (“Sale Procedures Motion”) [Docket No. 617] filed by Debtors X-Treme Bullets Inc.; Ammo Load Worldwide, Inc.; Clearwater Bullet, Inc.; Freedom Munitions, LLC; Howell Machine, Inc.; Howell Munitions & Technology, Inc.; Lewis-Clark Ammunition Components, LLC; and Components Exchange, LLC (collectively, “Debtors”) before the Honorable Bruce T. Beesley, United States Bankruptcy Judge, in the above-entitled Court. The Debtors were represented in Court by Stephen R. Harris, Esq. of Harris Law Practice LLC and by Robert E. Opera, Esq. of Winthrop Couchot Golubow Hollander, LLP, who appeared telephonically at the hearing. Thomas Fawkes, Esq. of Goldstein & McClintock LLP appeared telephonically on behalf the Official Committee of Unsecured Creditors. Boris Kukso, Esq., Trial Attorney, Tax Division U.S. Department of Justice, appeared telephonically for the United States of America, on behalf of the Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau (the “TTB”). Other appearances, if any, were as set forth on the Court’s record of the proceedings.¹

The Court having considered the Sale Procedures Motion, the Declaration of J. Michael Issa (“Issa Declaration”) [Docket No. 619] filed in support of the Sale Procedures Motion, the

¹ Except as otherwise defined herein, the definitions of the capitalized terms contained herein are as set forth in the Sale Procedures Motion.

1 Objection to the Sale Procedures Motion filed by the TTB [Docket No. 626] (“Objection”), the
 2 pleadings and other documents on file in these Chapter 11 cases, the representations and
 3 arguments of counsel at the hearing on the Sale Procedures Motion, and the Court finding that,
 4 under the circumstances of these cases, the notice given of the hearing on the Sale Procedures
 5 Motion was sufficient and that good cause exists to overrule the Objection, and for other good and
 6 sufficient cause shown, **IT IS HEREBY ORDERED THAT:**

7 1. The Sale Procedures Motion is hereby granted.

8 2. The sale and bidding procedures set forth in that Sale Procedures Memorandum
 9 attached as Exhibit “1” to the Issa Declaration are hereby approved in their entirety, and the terms
 10 and conditions of the Sale Procedures Memorandum shall govern the proceedings for the sale of
 11 substantially all of the assets and properties of the Debtors, including without limitation, any
 12 Auction that may be conducted in the Debtors’ cases.

13 3. The deadline for all Qualified Bidders to submit to the Debtors a bid for assets of the
 14 Debtors is 5:00 p.m., Pacific Time on October 9, 2019, subject to the Debtors’ ability to extend the
 15 Bid Deadline as they deem appropriate after consultation with the Committee.

16 4. Any Auction of the Debtors’ assets and properties shall be held on October 16,
 17 2019, at 10:30 a.m., in the Court immediately prior to the hearing on the Debtors’ Sale Motion.

18 5. The hearing on the Sale Motion shall take place on October 16, 2019, at 10:30 a.m.
 19 in the above-entitled Court (“Sale Motion Hearing”).

20 6. The \$150,000 Break-Up Fee that may become payable to Kash CA, as the “stalking
 21 horse bidder,” as set forth in the Kash Asset Purchase Agreement, is hereby approved.

22 7. The marketing of the Debtors’ assets, as set forth in the Sale Procedures Motion, is
 23 hereby deemed adequate under the circumstances of these cases.

24 8. The manner of giving notice to creditors and parties-in-interest of the Sale Motion
 25 Hearing, as set forth in the Sale Procedures Motion, is hereby approved.

26 9. No further notice or hearing shall be necessary to effectuate the foregoing.

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1 Prepared and Submitted by:
2 STEPHEN R. HARRIS, ESQ.
3 HARRIS LAW PRACTICE LLC

4 -and-

5 ROBERT E. OPERA, ESQ.
6 WINTHROP COUCHOT
7 GOLUBOW HOLLANDER, LLP

8 /s/ Robert E. Opera
9 General Insolvency Counsel
10 for Debtors and Debtors-in-Possession
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CERTIFICATION RE: RULE 9021

In accordance with Local Rule 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that (check one):

☐ The court has waived the requirement set forth in LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

Boris Kukso, Esq.
Attorney for United States of America
Dept. of the Treasury

Approved
Boris Kukso

Timothy A. Lukas, Esq.
Holland & Hart, LLP
Attorneys for Secured Creditor Zions First National Bank

Approved
Timothy A. Lukas

Thomas R. Fawkes, Esq.
Goldstein & McClintock, LLP
Attorneys for Official Committee of Unsecured Creditors

Approved
Thomas R. Fawkes

Gerald P. Kennedy, Esq.
Procopio, Cory, Hargreaves & Savitch, LLP
Attorney for Kash CA, Inc.

Approved
Gerald P. Kennedy

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